GLORY 国瑞

GUORUI PROPERTIES LIMITED
國瑞置業有限公司

(Incorporated in the Cayman Islands with limited liability under the name of "Glory Land Company Limited (国瑞置业有限公司)" and carrying on business in Hong Kong as Guorui Properties Limited)

(Stock Code: 2329)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2014

FINANCIAL HIGHLIGHTS

— Achieved contracted sales for the six months ended June 30, 2014 (the "**Reporting Period**") was RMB2,966.8 million with corresponding gross floor area ("**GFA**") of approximately 239,071 sq.m., representing a period-on-period increase of 69.1% and 69.4%, respectively;

— Revenue for the Reporting Period was RMB2,262.5 million, of which the revenue from property development was RMB2,038.5 million;

— Gross profit for the Reporting Period was RMB931.7 million, of which the gross profit from property development was RMB808.7 million;

— Net profit for the Reporting Period was RMB284.6 million, of which RMB223.6 million was attributable to the equity holders of the Company;

— Land reserves reached a total GFA of 8,039,542 sq.m. and the average cost of land reserves was RMB 1,515.4 per sq.m. for the Reporting Period. Newly acquired land reserves amounted to a total GFA of 1,255,475 sq.m. and the average cost of land acquisition was RMB 1,989 per sq.m. for the Reporting Period;

— Contracted average selling price ("**ASP**") for the Reporting Period was RMB 12,409.8 per sq.m.. The average cost of land reserves accounted for 12.2% of the ASP for the Reporting Period.

INTERIM RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2014

The board (the "**Board**") of directors (the "**Directors**") of Guorui Properties Limited (the "**Company**", together with its subsidiaries, the "**Group**") is pleased to announce to the Group's shareholders (the "**Shareholders**") the interim results of the Group for the six months ended June 30, 2014, together with comparative figures for the corresponding period in 2013. The Group's interim results have not been audited but have been reviewed by the Company's audit committee and the Company's auditors, Deloitte Touche Tohmatsu ("**DTT**").

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED JUNE 30, 2014

		Six months ended June 30,	
	NOTES	**2014**	**2013**
		RMB'000	*RMB'000*
		(Unaudited)	*(Unaudited)*
Revenue	4	2,262,454	3,000,748
Cost of sales and services		(1,330,804)	(724,117)
Gross profit		931,650	2,276,631
Other gains and losses	5	(337)	267,993
Other income	6	5,956	2,948
Fair value gain upon transfer to investment properties	13	—	527,270
Changes in fair value of investment properties	13	—	247,374
Share of result of an associate	15	(915)	—
Selling and distribution expenses		(83,587)	(72,832)
Administrative expenses		(135,690)	(117,773)
Other expenses	7	(23,309)	(19,633)
Finance costs	8	(144,289)	(417,184)
Profit before taxation		549,479	2,694,794
Income tax expenses	9	(264,851)	(696,788)
Profit and total comprehensive income for the period	11	284,628	1,998,006
Profit and total comprehensive income for the period attributable to:			
Equity holders of the Company		223,617	1,616,387
Non-controlling interests		61,011	381,619
		284,628	1,998,006
Earnings per share, in RMB cents:	10		
— Basic		6.0	N/A
— Diluted		6.0	N/A

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2014

	NOTES	**As at June 30, 2014** *RMB'000* *(Unaudited)*	**As at December 31, 2013** *RMB'000* *(Audited)*
NON-CURRENT ASSETS			
Investment properties	13	7,985,500	7,985,500
Property, plant and equipment	14	143,934	141,131
Intangible assets		3,004	2,383
Interest in an associate	15	35,085	—
Available-for-sale investments		5,000	5,000
Prepaid lease payments		2,860	2,941
Deferred tax assets		76,333	61,761
Restricted bank deposits		7,590	922
		8,259,306	8,199,638
CURRENT ASSETS			
Inventories		88	93
Deposits paid for land acquisition		—	314,160
Properties under development for sale		12,679,103	9,967,028
Properties held for sale		1,172,567	1,739,494
Trade and other receivables, deposits and prepayments	16	363,958	389,494
Amounts due from customers for contract work		959,124	889,261
Taxation recoverable		85,243	59,003
Amounts due from a related party		—	4,265
Held-for-trading investments		80	80
Restricted bank deposits		44,606	60,033
Bank balances and cash		525,555	844,854
		15,830,324	14,267,765

	NOTES	As at June 30, 2014 RMB'000 (Unaudited)	As at December 31, 2013 RMB'000 (Audited)
CURRENT LIABILITIES			
Trade and other payables	17	3,816,707	4,679,785
Deposits received from pre-sale of properties		2,195,460	1,648,241
Amounts due to related parties		11,655	297,740
Taxation payable		845,457	713,889
Bank and other borrowings - due within one year	18	1,643,074	1,112,136
		8,512,353	8,451,791
NET CURRENT ASSETS		7,317,971	5,815,974
TOTAL ASSETS LESS CURRENT LIABILITIES		15,577,277	14,015,612
NON-CURRENT LIABILITIES			
Other payables	17	46,819	49,302
Bank and other borrowings - due after one year	18	7,554,460	6,224,424
Deferred tax liabilities		1,623,108	1,645,907
		9,224,387	7,919,633
NET ASSETS		6,352,890	6,095,979
CAPITAL AND RESERVES			
Share capital		2,967	2,967
Reserves		5,027,713	4,785,447
Equity attributable to equity holders of the Company		5,030,680	4,788,414
Non-controlling interests		1,322,210	1,307,565
TOTAL EQUITY		6,352,890	6,095,979

NOTES

1. GENERAL INFORMATION OF THE GROUP

The Company was incorporated under the name of "Glory Land Company Limited (国瑞置业有限公司)" in the Cayman Islands and carrying on business in Hong Kong as "Guorui Properties Limited" as an exempted company with limited liability under the Company Laws (2012 Revision) of the Cayman Islands on July 16, 2012. Its parent and ultimate holding company is Alltogether Land Company Limited, a company incorporated in the British Virgin Islands. The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its principal place of business is located at No. 15, East Zhushikou Street, Dongcheng District, Beijing, PRC.

On July 7, 2014, the Company completed the global offering and its shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company and its subsidiaries (hereinafter collectively referred to as the "Group") are principally engaged in property development, primary land construction and development services, property investment and property management and related services.

The condensed consolidated financial statements are presented in Renminbi ("RMB"), which is also the functional currency of the Company.

2. REORGANIZATION AND BASIS OF PRESENTATION

Prior to the reorganization ("Reorganization"), Shantou Garden Group Co., Ltd. ("Garden Group") was a company controlled by Mr. Zhang Zhangsun, which directly or indirectly held controlling interest in all PRC subsidiaries of the Group, except for Shantou Glory Management Limited ("Glory Management"). Prior to the Glory Management Acquisition (as defined below), Glory Real Estate Development Limited ("Glory HK") (wholly owned by Mr. Zhang Zhangsun) and Shantou Jinming Wujin Material Co., Ltd. ("Jinming Wujin") held 45% and 55% equity interest in Glory Management, respectively. On July 1, 2012, Mr. Zhang Zhangsun obtained the controlling interest in Jiming Wujin, and therefore, obtained control over Glory Management (the "Glory Management Acquisition"). On March 10, 2013, Jinming Wujin transferred its 55% equity interest in Glory Management to Glory HK for a consideration of RMB22,000,000.

The Company was incorporated on July 16, 2012 and the initial share was transferred to an entity wholly owned by Mr. Zhang Zhangsun on the same date.

On May 7, 2013, Glory Real Estate (HK) Investment Limited ("Glory Real Estate (HK)"), which was set up by the Company on April 29, 2013, acquired the entire equity interest in Glory Management from Glory HK for a consideration of RMB40,000,000. Following a series of shareholding transfers, Glory Management acquired 100% equity interest in Garden Group for a consideration of RMB48,000,000 on June 29, 2013 (the "Garden Group Acquisition").

Upon completion of the Reorganization, the Company became the holding company of the companies now comprising the Group on June 29, 2013. Mr. Zhang Zhangsun, the controlling equity holder, controlled all the companies now comprising the Group before and after the Reorganization and that control is not transitory. Accordingly, the Group resulting from the

Reorganization is regarded as a continuing entity. The Garden Group Acquisition is accounted for by reference to the principles of merger accounting and these condensed consolidated financial statements have been prepared as if the Company has always been the holding company of the Group.

Therefore, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six months ended June 30, 2013 are prepared as if the current group structure had been in existence throughout that period.

3. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting" as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange.

The condensed consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments and investment properties, which are measured at fair values.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended June 30, 2014 are the same as those followed in the preparation of the Group's consolidated financial statements for the year ended December 31, 2013.

In the current interim period, the Group has applied, for the first time, the following new interpretation and amendments to standards ("new and revised IFRSs") that are mandatorily effective for its accounting period beginning on January 1, 2014.

Amendments to IFRS 10, IFRS 12 and IAS 27	Investment Entities
Amendments to IAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to IAS 36	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to IAS 39	Novation of Derivatives and Continuation of Hedge Accounting
IFRIC 21	Levies

The application of the above new and revised IFRSs in the current period has had no material effect on the amounts reported in these condensed consolidated financial statements and on disclosures set out in these condensed consolidated financial statements.

In addition, the Group has applied the following accounting policy in relation to share-based payment arrangements.

Share-based payment transactions of the Company

For grants of share options or shares that are conditional upon satisfying vesting conditions, the fair value of services received is determined by reference to the fair value of share options or shares granted at the date of grant and is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share options reserve or capital contribution reserve).

At the end of the reporting period, the Group revises its estimates of the number of options or shares that are expected to ultimately vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share options reserve or capital contribution reserve.

When share options are exercised, the amount previously recognized in share options reserve will be transferred to share premium. When share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognized in share options reserve will be transferred to retained earnings.

4. REVENUE AND SEGMENT INFORMATION

The Group is organized into business units based on their types of activities. These business units are the basis of information that is prepared and reported to the Group's chief operating decision maker (i.e. the Executive Directors of the Company) for the purposes of resources allocation and assessment of performance. The Group's operating segments under IFRS 8 Operating Segments are identified as the following four business units:

Property development: This segment develops and sells commercial and residential properties. All of the Group's activities are carried out in the PRC.

Primary land construction and development services: This segment derives revenue from primary land development, including services for resettlement, construction of land infrastructure and ancillary public facilities on land owned by the local governments. All of the Group's activities are carried out in the PRC.

Property investment: This segment derives rental income from investment properties developed by the Group. Currently, the Group's investment property portfolio mainly comprises commercial properties located in the PRC.

Property management and related services: This segment derives income from hotel and other property management. Currently, the Group's activities are carried out in the PRC.

Segment profit represents the profit earned by each segment without allocation of other gains and losses, other income, other expenses, share of result of an associate, fair value gain upon transfer to investment properties, changes in fair value of investment properties, finance costs, certain depreciation, auditor's remuneration, directors' remunerations and income tax expenses. This is the measure reported to the Group's chief operating decision maker for the purpose of resource allocation and performance assessment.

Inter-segment sales are priced with reference to prices charged to external parties for similar products and services.

No segment assets and liabilities are presented as they were not regularly provided to the chief operating decision maker for the purposes of resources allocation and performance assessment.

(a) **Segment revenue and results**

The following is an analysis of the Group's revenue and results by reportable and operating segment.

	Property development	**Primary land construction and development services**	**Property investment**	**Property management and related services**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(Unaudited)	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*
Six months ended June 30, 2014					
Revenue from external customers	2,038,526	66,831	132,160	24,937	2,262,454
Inter-segment revenue	—	—	—	6,159	6,159
Segment revenue	2,038,526	66,831	132,160	31,096	2,268,613
Segment profit	606,305	348	108,496	7,069	722,218
Six months ended June 30, 2013					
Revenue from external customers	1,048,541	1,785,545	108,569	58,093	3,000,748
Inter-segment revenue	—	—	—	68	68
Segment revenue	1,048,541	1,785,545	108,569	58,161	3,000,816
Segment profit (loss)	301,364	1,698,946	99,103	(6,902)	2,092,511

(b) **Reconciliations of segment revenue, profit or loss**

	Six months ended June 30, 2014	2013
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Revenue		
Segment revenue	2,268,613	3,000,816
Elimination of inter-segment revenue	(6,159)	(68)
Consolidated revenue	2,262,454	3,000,748
Profit		
Segment profit	722,218	2,092,511
Other gains and losses	(337)	267,993
Other income	5,956	2,948
Other expenses	(23,309)	(19,633)
Share of result of an associate	(915)	—
Fair value gain upon transfer to investment properties	—	527,270
Changes in fair value of investment properties	—	247,374
Finance costs	(144,289)	(417,184)
Depreciation	(1,942)	(1,942)
Auditor's remuneration	(2,877)	(150)
Directors' remunerations	(5,026)	(4,393)
Consolidated profit before taxation	549,479	2,694,794

5. OTHER GAINS AND LOSSES

	Six months ended June 30, 2014	2013
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Other gains and losses comprise:		
Gains on disposal of property, plant and equipment	15	942
Gains on disposal of prepaid lease payment	—	265,739
Net foreign exchange (losses) gains	(387)	681
Gain on disposal of subsidiaries	—	251
Changes in fair value of held-for-trading investments	—	161
Others	35	219
	(337)	267,993

6. OTHER INCOME

	Six months ended June 30,	
	2014	**2013**
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Interest income	1,815	2,948
Account payables write-off	2,762	—
Penalty income	1,379	—
	5,956	2,948

7. OTHER EXPENSES

	Six months ended June 30,	
	2014	**2013**
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Donations	1,770	8,680
Compensation paid and penalty	2,124	3,130
Listing expense	19,415	7,823
	23,309	19,633

8. FINANCE COSTS

	Six months ended June 30,	
	2014	**2013**
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Interest on bank loans	229,172	187,494
Interest on other loans	125,634	29,812
Fair value loss on initial recognition of amount due to a connected person	—	293,927
Other finance cost	7,135	14,585
Total	361,941	525,818
Less: Amounts capitalized to properties under development for sale	(217,652)	(108,634)
	144,289	417,184

Borrowing costs capitalized to properties under development for sale were arising from specific bank and other loans.

9. INCOME TAX EXPENSE

	Six months ended June 30,	
	2014	**2013**
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Current tax		
PRC Enterprise Income Tax	154,077	509,217
Land appreciation tax ("LAT")	148,145	42,571
	302,222	551,788
Deferred tax		
PRC Enterprise Income Tax	(37,371)	145,000
Income tax expense	264,851	696,788

PRC Enterprise Income Tax has been calculated on the estimated assessable profit derived from the PRC at the rate of 25% for both periods, except for two subsidiaries of the Company which were subject to the PRC Enterprise Income Tax on a verification collection basis at deemed profit which represent 10% of its revenue for the six months ended June 30, 2013, in accordance with authorized tax valuation method (核定徵收) approved by local tax bureau pursuant to the applicable PRC tax regulations.

The provision of LAT is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT has been provided at ranges of progressive rates of the appreciation value, with certain allowable exemptions and deductions.

During the six months ended June 30, 2014, deferred tax credit mainly represents recognition of deferred tax assets for tax losses and deposits received from pre-sale of properties. During the six months ended June 30, 2013, deferred tax charge mainly represents deferred tax recognized for gain on fair value change of investment properties.

10. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to equity holders of the Company is based on the following data:

	Six months ended June 30, 2014	2013
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Earnings		
Earnings for the purpose of calculating basic earnings per share (profit for the period attributable to equity holders of the Company)	223,617	1,616,387
Number of shares:	*'000*	*'000*
Number of ordinary shares for the purpose of basic earnings per share	3,750,000	N/A
Effect of dilutive potential ordinary shares		
Share options issued by the Company	198	N/A
Weighted average number of ordinary shares for the purpose of diluted earnings per share	3,750,198	N/A

No earnings per share information has been presented as its inclusion is not considered meaningful for the prior period after considering the capital structure of the Group for the six months ended June 30, 2013.

11. PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD

Profit and total comprehensive income for the period has been arrived at after charging (crediting):

	Six months ended June 30,	
	2014	**2013**
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Directors' remunerations		
— Salaries and other benefits	4,759	4,336
— Retirement benefit contributions	69	57
— Equity-settled share-based payments	198	—
Other staff costs		
— Salaries and other benefits	73,619	64,066
— Retirement benefit contributions	5,770	4,110
— Equity-settled share-based payments	2,001	—
Total staff costs	86,416	72,569
Less: Amounts capitalized to properties under development for sale	(8,544)	(6,889)
	77,872	65,680
Cost of properties sold recognized as expense	1,229,840	594,620
Depreciation of property, plant and equipment	9,788	14,404
Amortization of intangible assets (included in administrative expenses)	335	264
Release of prepaid lease payments (included in administrative expense)	82	364
Operating lease rentals	1,738	340
Rental income from investment properties	(132,160)	(108,569)
Less: direct operating expenses	23,664	9,466
	(108,496)	(99,103)

12. DIVIDENDS

On April 30, 2013, Garden Group, a subsidiary of the Group, declared dividends amounting to RMB2,350,000,000 to its then equity holder, Jinming Wujin.

No dividend has been proposed, declared or paid by the Company during the current period and the prior period.

13. INVESTMENT PROPERTIES

	Total
	RMB'000
Fair value	
At January 1, 2014 (Audited)	7,985,500
Change in fair value recognized in profit or loss	—
At June 30, 2014 (Unaudited)	7,985,500
At January 1, 2013 (Audited)	6,992,900
Transfer from properties held for sale	
— completed properties held for sale	134,080
— fair value gain upon transfer	527,270
Change in fair value recognized in profit or loss	247,374
Disposal of investment properties (note)	(53,375)
At June 30, 2013 (Unaudited)	7,848,249

Note: In February 2013, the Group acquired the land use right of Hademen block of Dongcheng District in Beijing(the "Hademen Project"), which was the land use right under the Hademen Project carried out by the Group. According to the bidding agreement, the Group is required to provide a resettlement compensation to Beijing Bianyifang Roast Duck Group Co. Ltd, ("Bianyifang"), an independent third party, in the neighborhood area of Hademen block. After negotiation, the Group settled part of the obligation by transferring the Group's investment properties with total fair value of RMB53,375,000 on the date of transfer.

All of the Group's property interests held under operating lease to earn rental are measured using fair value model and are classified and accounted for as investment properties.

The investment properties are all situated in the PRC under medium-term lease. The fair values of the Group's completed investment properties as at June 30, 2014 and June 30, 2013 have been arrived at on the basis of valuations carried out on those dates by Colliers International ("Colliers"), a firm of independent qualified professional valuers not connected with the Group, who have appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations. The valuations were arrived at with adoption of direct comparison approach assuming sale of each of these properties in its existing state by making reference to comparable sales transactions as available in the relevant market and also consider income method-direct capitalization approach by capitalization of the net rental income derived from the existing tenancy agreements with due allowance for the reversionary income potential of the properties.

14. PROPERTY, PLANT AND EQUIPMENT

During the six months ended June 30, 2014, additions to property, plant and equipment amounted to RMB12,696,000 (six months ended June 30, 2013: RMB9,707,000), consisting of buildings, motor vehicles and electronic equipment and furniture.

15. INTEREST IN AN ASSOCIATE

	As at June 30, 2014	As at December 31, 2013
	RMB'000	*RMB'000*
	(Unaudited)	*(Audited)*
Cost of investment, unlisted	36,000	—
Share of post-acquisition loss	(915)	—
	35,085	—

On March 5, 2014, the Group acquired 30% equity interest in Shenzhen Dachaoshan Construction Co., Ltd. ("Dachaoshan") for a total cash consideration of RMB12,000,000. Upon the completion of the transfer of equity interest in March 2014, Dachaoshan became an associate of the Group. On March 27, 2014, the Group has contributed additional RMB24,000,000 to the capital of Dachaoshan in the same proportion with the other equity holders.

16. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

Trade receivables mainly comprise of rental receivables and receivables for sales of properties. Pursuant to the lease agreements, rental payment is required to be settled in advance with no credit period being granted to the tenants. In respect of sale of properties, no credit term is allowed in normal cases. However, a credit period of up to twelve months may be granted to specific customers on a case-by-case basis.

	As at June 30, 2014	As at December 31, 2013
	RMB'000	*RMB'000*
	(Unaudited)	*(Audited)*
Trade receivables, net of allowance	54,952	169,074
Advances to contractors and suppliers	192,552	107,747
Other receivables from independent third parties (note)	17,510	17,510
Other receivables and prepayment, net of allowance	36,379	44,665
Prepaid lease payment-current portion	393	393
Deposits	62,172	50,105
	363,958	389,494

Note: Other receivables from independent third parties are of non-trade nature, unsecured, interest free and repayable on demand.

The following is an aged analysis of trade receivables based on the date of recognition of revenue at June 30, 2014 and December 31, 2013:

	As at June 30, 2014 *RMB'000* *(Unaudited)*	As at December 31, 2013 *RMB'000* *(Audited)*
0 to 60 days	32,205	129,255
61 to 365 days	12,624	29,969
1-2 years	1,352	5,114
Over 2 years	8,771	4,736
	54,952	169,074

Trade receivables with an amount of approximately RMB17,052,000 and RMB15,883,000 as at June 30, 2014 and December 31, 2013, respectively, are overdue receivables but not impaired. The Group does not hold any collateral over these balances.

17. TRADE AND OTHER PAYABLES

	As at June 30, 2014 *RMB'000* *(Unaudited)*	As at December 31, 2013 *RMB'000* *(Audited)*
Trade payables	2,208,195	2,331,703
Rental received in advance	37,366	42,770
Deposits received	306,131	523,922
Payable for acquisition of subsidiaries (note (a))	430,155	467,011
Other payables to connected person (note (b))	480,680	1,120,046
Accrued payroll	14,395	21,713
Deed tax, business and other tax payable	165,585	173,960
Other payable to an independent third party (note (c))	125,460	—
Other payables and accruals	95,559	47,962
	3,863,526	4,729,087
Analyzed for reporting purposes as:		
Non-current (note (d))	46,819	49,302
Current	3,816,707	4,679,785
	3,863,526	4,729,087

Notes:

(a) As at June 30, 2014, the outstanding consideration payable relating to the acquisition of subsidiaries of approximately RMB58,755,000 (December 31, 2013: RMB467,011,000), are unsecured, interest free and repayable on demand. The remaining consideration payable relating to the acquisition of Hainan Junhe Industrial Co., Ltd. ("Hainan Junhe") of approximately RMB371,400,000 is unsecured, non-interest bearing and repayable within one year by instalments.

(b) The amount is related to the cancellation of a pre-sale contract, which is unsecured and repayable within one year by instalments.

(c) The amount is payable to the then equity holder of Hainan Junhe, which is unsecured, non-interest bearing and repayable within one year by instalments.

(d) Pursuant to the relevant agreements, rental deposits of approximately RMB46,819,000 (December 31, 2013: RMB49,302,000) as at June 30, 2014 are to be settled after twelve months from the end of the reporting period and is therefore classified as non-current liability.

Trade payables comprise construction costs payable and other project-related expenses payable. The average credit period of trade payable is approximately 180 days.

The following is an aged analysis of trade payables based on invoice date at June 30, 2014 and December 31, 2013:

	As at June 30, 2014 *RMB'000* *(Unaudited)*	**As at December 31, 2013** *RMB'000* *(Audited)*
0 to 60 days	1,226,251	1,055,862
61-365 days	111,056	1,190,485
1-2 years	857,744	72,792
Over 2 years	13,144	12,564
	2,208,195	2,331,703

18. BANK AND OTHER BORROWINGS

	As at June 30, 2014 *RMB'000* *(Unaudited)*	As at December 31, 2013 *RMB'000* *(Audited)*
Bank loans, secured	6,592,174	5,153,300
Other loans, secured	2,159,360	2,183,260
Other loans, unsecured	446,000	—
	9,197,534	7,336,560
Less: Amount due within one year shown under current liabilities	(1,643,074)	(1,112,136)
Amount due after one year	7,554,460	6,224,424

As at June 30, 2014, the borrowings with carrying amount of RMB6,703,474,000 (December 31, 2013: RMB5,267,500,000) carry interest at variable rates based on the interest rates quoted by the People's Bank of China, the effective interest rate ranges from 6.22% to 8.00% (December 31, 2013: 5.40% to 8.00%) per annum. The remaining borrowings with carrying amount of RMB 2,494,060,000 (December 31, 2013: RMB2,069,060,000) are arranged at fixed rate, ranging from 5.58% to 12.00% (December 31, 2013: 6.60% to 12.00%) per annum at June 30, 2014.

During the six months ended June 30, 2014, the Group borrowed new bank loans amounting to RMB 2,224,114,000 (six months ended June 30, 2013: RMB 1,100,000,000) and other loans amounting to RMB 446,000,000 (six months ended June 30, 2013: nil) respectively and repaid bank loans amounting to RMB785,240,000 (six months ended June 30, 2013: RMB 1,021,530,000) and other loans amounting to RMB 23,900,000 (six months ended June 30, 2013: nil) respectively.

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board, I am pleased to present the interim results of the Group for the six months ended June 30, 2014.

Successful entry into international capital market

Founded in Guangdong Province, the Group commenced its operations in the late 1990s and since then has significantly grown its business in Beijing. Upon establishing its position in the property development market in Beijing, it successfully expanded into other selected cities with rapid growth in China, including Haikou, Wanning, Shantou, Foshan, Shenyang, Zhengzhou, Langfang and Xi'an. As a result, it has established a strategic nationwide coverage which is centered around Beijing and the Pearl River Delta region and covers a number of selected major areas with rapid economic growth in China. The Group has been focusing on the development and operation of high-quality residential properties, Grade A office buildings and mixed-use complex projects under its well-recognized brand name "Glory City" and widely supported by stable groups of customers and tenants.

2014 marked a significant and meaningful year for the development of the Group. On July 7, 2014, the Company successfully completed the listing of its shares (the "**Listing**") on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and accomplished its entry into the international capital market. This signifies not only the recognition of the Group's success by the international capital market, but also provides the Group with greater momentum and confidence to further develop its business in the future.

Review of the first half of 2014

During the first half of 2014, the People's Republic of China's (the "**PRC**") economy grew steadily, with a gross domestic product (the "**GDP**") growth of 7.4% over the same period last year. According to the data of the National Bureau of Statistics of the PRC, for the first half of 2014, the total amount of investments in real estate development at the national level was RMB4,201.9 billion, representing a nominal growth of 14.1% over the same period last year. Newly constructed housing area was 801,260,000 sq.m., representing a decrease of 16.4% over the same period last year. Sales area of commodity housing at the national level was 483,650,000 sq.m., representing a decrease of 6.0% over the same period last year. Total sales revenue of commodity housing at the national level was RMB3,113.3 billion, representing a decrease of 6.7% over the same period last year. Area of land acquired by real estate development enterprises was 148,070,000 sq.m., representing a decrease of 5.8% over the same period last year. As at the end of June, area of commodity housing for sale at the national level was 544,280,000 sq.m., representing an increase of 24.5% over the same period last year.

As the real estate industry in the PRC was affected by credit tightening and the wait-and-see sentiment of potential property buyers, transaction volumes have declined notably. Under the macro-control policies of "micro-stimulus" (微刺激) and "bilateral-control" (雙向調控), local governments unveiled their own adjustment policies, particularly on relaxing home-purchase restrictions, allowing household registration through home purchase and increasing the maximum loan amount limit of provident funds, against the slowdown of the real estate market.

Despite the complicated and changing operation environment, the Group continues to optimize its product designs, improve the environment and facilities in its projects, enhance the quality of its properties and adopt flexible and diversified strategies in its marketing. As a result, for the first half of 2014, the Group achieved growth in both contracted sales and contracted GFA and operated in line with its sustainable long-term development plan.

For the first half of 2014, the Group achieved contracted sales of RMB2,966.8 million, representing an increase of 69.1% over the same period last year. Total contracted GFA was 239,071 sq.m., representing an increase of 69.4% over the same period last year. It realized a revenue of RMB2,262.5 million, of which the revenue from property development was RMB2,038.5 million, representing an increase of 94.4% over the same period last year.

With respect to land reserves, the Group has always been committed to acquiring quality land parcels at competitive cost. During the first half of 2014, the Group acquired two new land parcels in Foshan and Hainan, namely the Foshan • South Levee Bay* (佛山 • 南堤灣) and Hainan Yunlong* (海南雲龍) with site areas of 90,231 sq.m. and 1,084,162 sq.m., respectively and the average costs of land acquisition were approximately RMB8,657.5 per sq.m. and RMB935.3 per sq.m., respectively. As at June 30, 2014, the total GFA of land reserves owned by the Group was approximately 8,039,542 sq.m..

It is worth mentioning that Foshan • South Levee Bay* (佛山 • 南堤灣) is the second key project of the Group since its establishing a presence in Foshan. The project is located at the city of Foshan, which is a core district of heritage and culture, an important cradle of Cantonese civilization and the most economically vigorous city

* *For identification purpose only*

in the Pearl River Delta region. The project has a planned GFA of 171,313.4 sq.m.. The Group intends to develop the project into a "Lingnan cultural" style complex and a landmark in Foshan, with integrated commercial, cultural, entertainment, leisure and residential elements.

Outlook for the second half of 2014

Looking forward to the second half of 2014, it is expected that the National Development and Reform Commission of the PRC would continue to promote investments in key regions in the PRC and its "micro-stimulus" (微刺激) model to direct efforts to "stabilize growth, adjust structure, benefit the livelihood of people" (穩增長、調結構、惠民生). In respect of property development, the "Five Central Policies" (央五條) issued by the People's Bank of China in the second quarter of 2014 confirmed its support in providing mortgage loans for first time home buyers, together with fine-tune adjustments to the home-purchase restriction policies in some cities. It is expected that the wait-and-see sentiment of potential property buyers would be alleviated and demand for properties may rebound and stimulate a rise in the market in the short-term. In respect of primary land development, according to the State Council of the PRC, further utilization of development financing would have a supportive effect on the reform of squatter areas, and this would benefit the primary land development projects of the Group.

It is expected that in the short-run, the real estate market in the PRC would continue its steady growth in the next two to three years. In the long-run, short-term adjustments would help the real estate market in the PRC to further achieve healthy and steady growth. The Group remains cautiously optimistic about the outlook of the real estate industry in the PRC.

The Group will leverage from the Listing to further expand the development of its projects in Beijing and the Pearl River Delta regions. By leveraging its competitive land cost, excellent brand image, sustainable and relatively high profitability, diversified sales channels and efficient sales and marketing teams, it will be able to further enhance its core competitiveness. Meanwhile, our Group will selectively retain the ownership of a substantial amount of self-developed commercial properties with strategic value to generate stable and recurring rental income, with a view to deliver excellent results and returns to its Shareholders.

Acknowledgement

On behalf of the Board, I would like to take this opportunity to express our gratitude to all our employees for their diligence and endeavors, and our sincere appreciation to investors, customers and business partners for their strong support and confidence in the Group.

Zhang Zhangsun
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

For the first half of 2014, the Group's total contracted sales were approximately RMB2,966.8 million, representing an increase of 69.1% as compared to the corresponding period of 2013. For the six months ended June 30, 2014, the Group's revenue was RMB2,262.5 million, representing a decrease as compared to the corresponding period of last year. This decrease was primarily due to the Group's recognition of revenue from the Beijing Hademen project in 2013, while the Group did not recognize any revenue from this project in 2014. Revenue from property development was RMB2,038.5 million, representing an increase of 94.4% as compared to the corresponding period of last year. For the six months ended June 30, 2014, the Group's gross profit was RMB931.7 million, net profit was RMB284.6 million, of which RMB223.6 million was attributable to the equity holders of the Company.

Contracted Sales

The contracted sales of the Group for the first half of 2014 and 2013 amounted to approximately RMB2,966.8 million and RMB1,754.1 million, respectively, representing an increase of 69.1%. Total GFA sold was approximately 239,071 sq.m. and 141,134 sq.m., representing an increase of 69.4% as compared to the corresponding period of last year. Contracted sales of the Group, by geographical location, were from Beijing, Haikou, Wanning, Langfang, Zhengzhou, Shenyang and Shantou amounted to approximately RMB671.2 million, RMB756.5 million, RMB101.5 million, RMB616.7 million, RMB445.2 million, RMB373.7 million and RMB2.0 million, respectively, representing 22.6%, 25.5%, 3.4%, 20.8%, 15.0%, 12.6% and 0.1% of the Group's total contracted sales, respectively.

The following table sets out the geographic breakdown of the Group's contracted sales for the six months ended June 30, 2014 and 2013:

	For the Six Months Ended June 30,					
	2014 Contracted Sales *(RMB million)*	**2013 Contracted Sales** *(RMB million)*	**2014 GFA Sold** *(sq.m.)*	**2013 GFA Sold** *(sq.m.)*	**2014 Contracted ASP** *(RMB/sq.m.)*	**2013 Contracted ASP** *(RMB/sq.m.)*
Beijing						
Beijing Glory City (Phases I and II)	656.0	281.0	10,207	4,809	64,267.5	58,421.6
Beijing Fugui Garden	—	3.8	—	134	—	28,274.6
Eudemonia Palace	15.2	479.5	333	10,312	45,645.6	46,505.1
Haikou						
Haikuotiankong Glory City (Phases I to V)	690.9	303.1	44,011	22,029	15,698.9	13,758.5
Haidian Island Glory Garden	65.6	142.2	3,623	10,866	18,092.0	13,083.1
Wanning						
Wanning Glory City (Phases I and II)	101.5	9.5	17,126	1,760	5,928.1	5,413.1
Langfang						
Yongqing Glory City (Phase III)	616.7	—	52,337	—	11,784.7	—
Zhengzhou						
Zhengzhou Glory City (Phases I to VI)	445.2	348.9	57,939	61,509	7,683.2	5,672.2
Shenyang						
Shenyang Glory City (Phases II to IV)	373.7	153.6	53,246	26,948	7,018.5	5,703.2
Shantou						
Glory Garden	0.5	6.5	64	879	7,793.0	7,398.9
Yashi Garden	1.5	26.0	185	1,888	8,117.3	13,772.1
Total	**2,966.8**	**1,754.1**	**239,071**	**141,134**	**12,409.8**	**12,428.6**

Note:

Contracted sales shown in the table include sales of car parking spaces and GFA sold includes contracted GFA of car parking spaces.

Property Projects

According to the stage of development, the Group classifies its property projects into three categories: completed properties, properties under development and properties held for future development. As some of its projects comprise multiple-phase development on a rolling basis, a single project may include different phases at various stages of completion, under development or held for future development.

As at June 30, 2014, the Group had completed a total GFA of 2,455,606 sq.m. and had land reserves with a total GFA of 8,039,542 sq.m., comprising (a) a total GFA of 468,589 sq.m. completed but remaining unsold, (b) a total GFA of 1,604,417 sq.m. under development, and (c) a total planned GFA of 5,966,536 sq.m. held for future development.

The Group selectively retains the ownership of a substantial amount of self-developed commercial properties with strategic value to generate stable and recurring income. As at June 30, 2014, the Group had investment properties with a total GFA of 296,768 sq.m. in Beijing Fugui Garden, Beijing Glory City, Shenyang Glory City and Shantou Glory City.

Property Portfolio Summary

The following table sets out the GFA breakdown of the Group's property portfolio under various stages of development by planned use as at June 30, 2014:

PLANNED USE[1]	**COMPLETED**	**UNDER DEVELOPMENT**	**HELD FOR FUTURE DEVELOPMENT**
	Total *(sq.m.)*	**GFA** *(sq.m.)*	**Total** *(sq.m.)*
Residential (excluding siheyuan (四合院))	1,397,866	964,512	3,762,892
Shopping malls	111,050	16,769	140,000
Specialized markets	246,018	—	—
Siheyuan (四合院)	7,219	1,057	10,294
SOHO apartments	65,755	—	203,352
Offices	113,864	283,782	579,817
Hotels	—	—	185,323
Retail outlets	141,535	88,998	234,199
Ancillary clubhouses	17,250	2,144	5,984
Ancillary kindergartens, schools and children's palace (少年宮)	13,354	2,718	44,085
Storage units	5,664	—	—
Car parking spaces[2]	299,658	186,445	725,620
Ancillary[3]	36,373	57,992	74,970
Total GFA	**2,455,606**	**1,604,417**	**5,966,536**
Attributable GFA[4]	**2,050,539**	**1,283,534**	**4,528,933**

Notes:

(1) The table above includes saleable GFA and non-saleable GFA. GFA for residential, SOHO apartments, retail outlets, offices, hotels, shopping malls, specialized markets, storage units and car parking spaces consists primarily of saleable GFA. GFA for ancillary clubhouses, ancillary schools, kindergartens and children's palace as well as other ancillary use consists primarily of non-saleable GFA.

(2) Comprise car parking spaces available for sale, lease or use by the Group.

(3) Comprises above-ground ancillary GFA and underground ancillary GFA, which the Group held for purposes other than residential use, retail use, SOHO apartments, offices, hotels, shopping malls, specialized markets, ancillary clubhouses, ancillary schools, kindergartens and children's palace, storage units or car parking spaces, most of which are amenities and not available for sale.

(4) Comprises the portion of the total GFA attributable to the Group, based on its effective interest in the relevant projects.

Properties Under Development and Properties Held for Future Development

The following table sets out a summary of information on the Group's projects and project phases under development and properties held for future development as at June 30, 2014:

Project	Project Type	Site Area	Actual/ Estimated Completion Date	UNDER DEVELOPMENT			HELD FOR FUTURE DEVELOPMENT		
				GFA Under Develop -ment[1]	Saleable/ Rentable GFA[2]	GFA Pre -sold[3]	Planned GFA[4]	GFA of Land Use Rights Certificates Not Yet Obtained[5]	Ownership Interest[6]
		(sq.m.)		*(sq.m.)*	*(sq.m.)*	*(sq.m.)*	*(sq.m.)*	*(sq.m.)*	*(%)*
Beijing									
1. Beijing Glory Center (北京國瑞中心)	Mixed-use	12,738	2016	140,021	124,728	—	—	—	80.0
Haikou									
1. Haikuotiankong Glory City (Phases III to V) (海闊天空國瑞城)	Mixed-use	72,296	2015	504,229	494,635	81,047	—	—	80.0
2. Glory Riverview Garden (國瑞•江畔花園)	Residential	36,634	2015	—	—	—	21,582	—	80.0
3. Haikou West Coast Glory (海口西海岸國瑞)	Residential	34,121	2016	—	—	—	19,964	—	80.0
4. Hainan Yunlong (海南雲龍)[7]	Mixed-use	1,084,162	2020	—	—	—	1,084,162	—	40.8
Wanning									
1. Wanning Glory City (Phases I to III) (萬寧國瑞城)	Residential	244,340	2015 to 2017	154,642	151,094	26,601	206,756	—	80.0
Shantou									
1. Shantou Glory City (Phase II) (汕頭國瑞城)	Mixed-use	54,431	2017	—	—	—	302,093	—	80.0
Foshan									
1. Foshan Guohua New Capital (佛山國華新都)	Residential	120,814	2015	—	—	—	456,375	—	44.0
2. Foshan•South Levee Bay (佛山 • 南堤灣)[8]	Mixed-use	90,231	2017	—	—	—	171,313	—	80.0
Shenyang									
1. Shenyang Glory City (Phases III to VII) (瀋陽國瑞城)	Mixed-use	487,459	2016 to 2018	275,954	275,954	49,439	1,188,695	325,187	80.0
Zhengzhou									
1. Zhengzhou Glory City (Phases III to VIII) (鄭州國瑞城)	Mixed-use	327,792	2014 to 2016	405,835	154,217	176,196	221,220	—	80.0

				UNDER DEVELOPMENT			HELD FOR FUTURE DEVELOPMENT		
Project	**Project Type**	**Site Area**	**Actual/ Estimated Completion Date**	**GFA Under Develop -ment(1)**	**Saleable/ Rentable GFA(2)**	**GFA Pre -sold(3)**	**Planned GFA(4)**	**GFA of Land Use Rights Certificates Not Yet Obtained(5)**	**Ownership Interest(6)**
		(sq.m.)		*(sq.m.)*	*(sq.m.)*	*(sq.m.)*	*(sq.m.)*	*(sq.m.)*	*(%)*
Langfang									
1. Yongqing Glory City (Phases I to V) (永清國瑞城)	Residential	1,280,366	2014 to 2018	123,736	123,736	76,281	2,008,659	—	80.0
Xi'an									
Xi'an Glory International Financial Center (西安國瑞國際金融中心)	Mixed-use	19,162	2020	—	—	—	285,717	—	52.0
Total		**3,864,546**		**1,604,417**	**1,324,364**	**409,564**	**5,966,536**	**325,187**	
Total Attributable GFA(9)				**1,283,534**	**1,059,491**	**327,651**	**4,528,933**	**260,150**	

Notes:

(1) Derived from construction work planning permit and includes attributable value of non-saleable amenities.

(2) Derived from the Group's internal records.

(3) Derived from the Group's internal records.

(4) Derived from the Group's internal records and estimates and includes attributable GFA of non-saleable amenities.

(5) Derived from the Group's internal records and estimates.

(6) Calculated based on the Group's effective ownership interest in the respective project companies.

(7) Hainan Yunlong occupies a total site area of 1,084,162 sq.m. and it is being developed by Hainan Junhe Industrial Co., Ltd.* (海南駿和實業有限公司) ("**Hainan Junhe**"), an indirect subsidiary of the Company. For further details of Hainan Junhe, please refer to the section headed "Material Acquisition and Disposals and Significant Investments" in this interim result announcement (the "**Announcement**").

(8) Foshan•South Levee Bay occupies a total site area of 90,231 sq.m. and it is being developed by Foshan Glory Southern Real Estate Development Co., Ltd.* (佛山市國瑞南方地產開發有限公司), an indirect subsidiary of the Company. For further details of the acquisition of the land parcel of Foshan•South Levee Bay, please refer to the section headed "Material Acquisition and Disposals and Significant Investments" in this Announcement.

(9) Comprises the portion of the total GFA attributable to the Group based on its effective interest in the relevant projects or project phases.

* *For identification purpose only*

The following table sets out a summary of information of the Group's investment properties as at June 30, 2014:

Project	Types of Properties	Total GFA Held for Investment	Leasable GFA	Effective Leased GFA	Total Rental Income For the Six Months Ended June 30, 2014	2013
		(sq.m.)	*(sq.m.)*	*(sq.m.)*	*(RMB'000)*	
Beijing Glory City	Shopping mall	84,904	46,336	39,211		
	Offices	9,808	9,803	6,170		
	Car parking spaces	26,324	26,324	18,426	96,545	80,846
	Retail outlets	29,128	25,642	22,598		
	Siheyuan (四合院)	7,219	7,219	7,219	4,500	1,227
Beijing Fugui Garden	Shopping mall	26,146	19,955	17,145	16,176	15,251
Shantou Glory City	Specialized markets	62,398	62,398	50,429	14,632	11,245
Shenyang Glory City	Specialized markets	50,841	50,841	50,841	307	—
Total		**296,768**	**248,519**	**212,039**	**132,160**	**108,569**

Completed Properties

The following table sets out a summary of information on the Group's completed projects and project phases as at June 30, 2014:

Project	Project Type	Actual Completion Date	Site Area	Completed GFA	GFA Available for Sale or use by us[1]	GFA Available for Sale	GFA Held for Investment	GFA Sold[2]	Other GFA[3]	Ownership Interest[4]
			(sq.m.)	*(sq.m.)*	*(sq.m.)*	*(sq.m.)*	*(sq.m.)*	*(sq.m.)*	*(sq.m.)*	*(%)*
Beijing										
1. Beijing Fugui Garden (北京富貴園)	Mixed-use	2008	87,075	507,857	52,382	6,756	26,146	420,204	9,125	91.0
2. Beijing Glory City (Phases I and II) (北京國瑞城)	Mixed-use	2009 to 2012	117,473	881,590	109,858	47,628	157,383	596,169	18,180	80.0
3. Eudemonia Palace (京禧閣)	Residential	2013	14,464	33,101	7,718	856	—	24,075	1,309	80.0
Haikou										
1. Haikuotiankong Glory City (Phases I and II) (海闊天空國瑞城)	Mixed-use	2012 to 2013	69,080	293,447	98,706	52,184	—	184,444	10,297	80.0
2. Haidian Island Glory Garden (海甸島國瑞花園)	Residential	2012	65,643	71,863	21,805	6,952	—	50,058	—	80.0
Shantou										
1. Shantou Glory City (Phase I) (汕頭國瑞城)	Mixed-use	2009	50,999	62,398	—	—	62,398	—	—	90.0
2. Glory Garden (國瑞園)	Mixed-use	2008	14,161	33,795	2,467	2,467	—	31,328	—	100.0
3. Yu Garden (裕園)	Residential	2005	8,292	25,767	—	—	—	25,767	—	100.0
4. Star Lake Residence (星湖雅居)	Residential	2004	3,589	12,132	—	—	—	12,132	—	100.0
5. Yashi Garden (雅仕園)	Residential	2011	9,472	48,054	119	119	—	47,159	776	100.0
Shenyang										
1. Shenyang Glory City (Phases I and II and Phase III (partial)) (瀋陽國瑞城)	Mixed-use	2009 to 2013	140,126	249,375	29,840	29,840	50,841	168,694	—	80.0
Zhengzhou										
1. Zhengzhou Glory City (Phases I and II) (鄭州國瑞城)	Mixed-use	2012 to 2013	156,435	231,927	63,032	21,035	—	160,368	8,528	80.0
Langfang										
1. Yongqing Glory City (Phase I (partial)) (永清國瑞城)	Residential	2013	33,000	4,299	3,984	3,984	—	—	315	80.0
Total			**769,809**	**2,455,606**	**389,911**	**171,821**	**296,768**	**1,720,398**	**48,528**	
Total Attributable GFA[5]			**637,627**	**2,050,539**	**318,208**	**138,717**	**246,530**	**1,445,819**	**39,982**	

Notes:

(1) Derived from the Group's internal records and does not include the portion of GFA held by us as amenities, which is not saleable or rentable, of each of the completed projects or project phases, and the portion of GFA held by us for investment. Certain completed projects have no GFA available for sale as all saleable GFA have been sold.

(2) Derived from the sales and purchase agreements.

(3) Includes the portion of GFA held by us as amenities not saleable or rentable of each of the completed projects or phrases of projects.

(4) Calculated based on the Group's effective ownership interest in the respective project companies.

(5) Comprises the portion of the total GFA attributable to us based on the Group's effective interest in the relevant projects or project phases.

Land Reserves

The following table sets out a summary of the Group's land reserves by geographic location as at June 30, 2014:

	Completed	**Under Development**	**Future Development**	**Total Land Reserves**	**% of Total Land Reserves**	**Average land cost**
	Saleable/ Rentable GFA Remaining Unsold	**GFA Under Development**	**Planned GFA(1)**	**Total GFA**		
	(sq.m.)	*(sq.m.)*	*(sq.m.)*	*(sq.m.)*	*(%)*	*(RMB/sq.m.)*
Beijing	238,769	140,021	—	378,790	4.7	8,514.8
Haikou	59,136	504,229	1,125,708	1,689,073	21.0	1,668.8
Wanning	—	154,642	206,756	361,398	4.5	355.7
Shantou	64,985	—	302,093	367,078	4.6	1,889.8
Foshan	—	—	627,688	627,688	7.8	3,359.2
Shenyang	80,680	275,954	1,188,695	1,545,329	19.2	1,123.3
Zhengzhou	21,035	405,835	221,220	648,090	8.0	393.8
Langfang	3,984	123,736	2,008,659	2,136,379	26.6	359.0
Xi'an	—	—	285,717	285,717	3.6	1,575.0
Total	**468,589**	**1,604,417**	**5,966,536**	**8,039,542**	**100.0**	**1,515.4**

Note:

(1) Includes 216,523 sq.m. of planned GFA in respect of which the Group had received the confirmation letter on bidding for granting land use rights but had not yet signed the relevant land grant contract.

The following table sets out a summary of the Group's land reserves by type of properties as at June 30, 2014:

	Completed	Under Development	Future Development	Total Land Reserves	% of Total Land Reserves
	Saleable/ Rentable GFA Remaining Unsold	GFA Under Development	Planned GFA(1)	Total GFA	
	(sq.m.)	*(sq.m.)*	*(sq.m.)*	*(sq.m.)*	*(%)*
Residential	97,948	964,511	3,762,893	4,825,352	60.0
Commercial for sale	57,452	231,742	1,030,948	1,320,142	16.4
Commercial held or intended to be held for investment	270,444	185,402	156,714	612,560	7.6
Hotel	—	—	135,323	135,323	1.7
Car parking spaces	42,745	159,907	725,620	928,272	11.6
Ancillary	—	57,992	104,970	162,962	2.0
Others	—	4,863	50,068	54,931	0.7
Total	**468,589**	**1,604,417**	**5,966,536**	**8,039,542**	**100.0**

Note:

(1) Includes 216,523 sq.m. of planned GFA in respect of which the Group had received the confirmation letter on bidding for granting land use rights but had not yet signed the relevant land grant contract.

Primary Land Development

Apart from engaging in property development projects, the Group also actively undertakes primary land development projects as a strategic business in order to access potentially available land reserves. During the first half of 2014, the Group undertook primary land development projects in Beijing, Shantou and Chaozhou.

Beijing

Since September 2007, the Group has undertaken a primary land development project in Beijing, namely, the West Qinian Street project (祈年大街西項目), with a planned GFA of approximately 427,404 sq.m., comprising five land parcels. The site of West Qinian Street project is located on the west side of Qinian Street (祈年大街) and is less than one kilometer from Tiananmen Square (天安門廣場). As at June 30, 2014, the Group incurred development costs of approximately RMB916.7 million and completed the primary land development of one of the five land parcels in the second quarter of 2013. The Group expects to complete the primary land development of another two land parcels of this project at the end of 2014.

Shantou

Pursuant to cooperation agreements with local self-governing organizations and enterprises under the "Urban Redevelopment" policy, the Group undertook the development of land parcels in Shantou, comprising four development projects with a total planned GFA of approximately 4.3 million sq.m during the first half of 2014. The local self-governing organizations and enterprises have agreed to transfer the land use rights to the Group after the completion of the requisite government procedures under the relevant local regulation. As at June 30, 2014, the Group incurred aggregate development costs of approximately RMB 35.1 million and planned to develop residential properties on these land parcels.

Chaozhou

During the first half of 2014, the Group undertook a primary land development project in Chaozhou, Guangdong Province, with a planned GFA of 2.9 million sq.m., namely, the Meilin Lake project (梅林湖項目). The Group has obtained the approval from the local government on preliminary land-use planning and expects to complete this project in the first half of 2018. As at June 30, 2014, the Group incurred development costs of RMB1.2 million for this project to cover preliminary planning, design and surveying expenses.

Financial Review

Revenue

For the six months ended June 30, 2014, the Group's revenue was RMB2,262.5 million, representing a decrease of 24.6% from RMB3,000.7 million for the corresponding period of last year. This decrease was primarily due to a decrease in revenue from primary land development as a result of the completion of the Group's primary land development project, Beijing Hademen project. The Group recognized revenue of RMB1,264.2 million from this project in 2013, while the Group did not recognize any revenue from this project in 2014. This decrease was partially offset by an increase in revenue from property development as a result of the increased revenue from property development in connection with the Group's Beijing Glory City (北京國瑞城), Eudemonia Palace(京禧閣), Wanning Glory City (萬寧國瑞城) and Haikuotiankong Glory City (海闊天空國瑞城) projects.

Revenue from property development for the six months ended June 30, 2014 was RMB2,038.5 million, representing an increase of 94.4% as compared to the corresponding period of last year. This increase was primarily due to the increased revenue from property development in connection with the Group's Beijing Glory City (北京國瑞城), Eudemonia Palace(京禧閣), Wanning Glory City (萬寧國瑞城) and Haikuotiankong Glory City (海闊天空國瑞城) projects.

Revenue from primary land construction and development services was RMB66.8 million, as compared to RMB1,785.5 million for the corresponding period of last year. This decrease was primarily due to the completion of the Group's primary land development project, Beijing Hademen project. The Group recognized revenue of RMB1,264.2 million from this project in 2013, while the Group did not recognize any revenue from this project in 2014.

Gross Profit

For the six months ended June 30, 2014, the Group's gross profit was RMB931.7 million, representing a decrease of 59.1% from RMB2,276.6 million for the corresponding period of last year. The gross profit margin was 41.2%, as compared to 75.9% for the corresponding period of last year.

Gross profit of property development was RMB808.7 million, representing an increase of 75.9% from RMB459.8 million for the corresponding period of last year. The increase in the Group's gross profit of property development was primarily due to the changes in project mix and geographic breakdown of properties the Group delivered in the six months ended June 30, 2014. The gross profit margin of property development decreased from 43.9% for the six months ended June 30, 2013 to 39.7% for the six months ended June 30, 2014.

Gross profit of primary land construction and development services was RMB0.3 million, as compared to RMB1,677.6 million for the corresponding period of last year. The gross profit margin of primary land construction and development services was 0.5% for the six months ended June 30, 2014, as compared to 94.0% for the six months ended June 30, 2013. The decrease in gross profit and gross profit margin from primary land construction and development services was primarily due to the completion of the Group's primary land development project, Beijing Hademen project. The Group recognized revenue of RMB1,264.2 million from this project in 2013, while the Group did not recognize any revenue from this project in 2014.

Other Gains and Losses

Other gains were RMB268.0 million for the six months ended June 30, 2013, while other losses were RMB0.3 million for the six months ended June 30, 2014. This difference was primarily due to the Group's recognition of a gain of RMB265.7 million in connection with its agreement with Shantou City Land Reserve Center (汕頭市土地儲備中心) in May 2013 to acquire the land use rights of the land parcels for Phase II of Shantou Glory City (汕頭國瑞城二期), while the Group did not recognize such gain in the six month ended June 30, 2014.

Other Income

Other income increased by 106.9% from RMB2.9 million for the six months ended June 30, 2013 to RMB6.0 million for the six months ended June 30, 2014.

Selling and Distribution Expenses

Selling and distribution expenses increased by 14.8% from RMB72.8 million for the six months ended June 30, 2013 to RMB83.6 million for the six months ended June 30, 2014, primarily due to an increase in the marketing efforts as a result of increased GFA under sales for the Group's Beijing Glory City (北京國瑞城), Haikuotiankong Glory City (海闊天空國瑞城), Langfang Glory City (廊坊國瑞城) and Zhengzhou Glory City (鄭州國瑞城) projects.

Administrative Expenses

Administrative expenses increased by 15.2% from RMB117.8 million for the six months ended June 30, 2013 to RMB135.7 million for the six months ended June 30, 2014, primarily due to an increase in the Group's staff headcount in line with the expansion of the Group's operations and an increase in average salaries and benefits of the Group's staff.

Finance Costs

Finance costs decreased by 65.4% from RMB417.2 million for the six months ended June 30, 2013 to RMB144.3 million for the six months ended June 30, 2014, primarily because the Group recorded fair value loss of RMB293.9 million on payment in relation to the Group's termination in May 2013 of a pre-sale agreement with Hainan Airlines Company Limited for the pre-sale of a high-rise residential building entered into in July 2009.

Income Tax Expenses

Income tax expenses decreased by 62.0% from RMB696.8 million for the six months ended June 30, 2013 to RMB264.9 million for the six months ended June 30, 2014, primarily due to a decrease in profit before taxation. The current PRC corporate income tax and land appreciation tax of the Group for the six months ended June 30, 2014 were RMB116.8 million and RMB148.1 million, respectively.

Profit and Total Comprehensive Income for the Period

As a result of the foregoing, the Group's profit and total comprehensive income for the period decreased from RMB1,998.0 million for the six months ended June 30, 2013 to RMB284.6 million for the six months ended June 30, 2014.

Liquidity, Financial and Capital Resources

Cash Position

As at June 30, 2014, the Group's bank balances and cash was approximately RMB525.6 million, representing a decrease of 37.8%, compared to RMB844.9 million as at December 31, 2013.

Negative Net Operating Cash Flow

The Group recorded negative net operating cash flow in the amount of RMB582.2 million for the six months ended June 30, 2014, as compared to a positive operating cash flow of RMB127.8 million for the six months ended June 30, 2013. The Group's negative net cash flow from operating activities was primarily attributable to its land acquisitions for land parcels of Foshan Guohua New Capital (佛山國華新都) and Foshan • South Levee Bay* (佛山 • 南堤灣). For details of acquisition of land parcel at Foshan • South Levee Bay* (佛山 • 南堤灣), please refer to the section headed "Material Acquisition and Disposals and Significant Investments" in this Announcement.

Borrowings

As at June 30, 2014, the Group had outstanding indebtedness of RMB9,197.5 million, consisting of bank borrowings of RMB6,592.2 million and other borrowings which are trust financing arrangements of RMB2,605.3 million.

As at June 30, 2014, the outstanding amount of the Group's borrowings from trust financing arrangements accounted for 28.3% of the balance of the Group's total bank and other borrowings.

* *For identification purpose only*

Charge over Assets

Some of the Group's borrowings are secured by properties under development for sale, properties held for sale, investment properties and prepaid lease payments as well as property, plant and equipment and restricted bank deposits, or combinations of the above. As at June 30, 2014, the assets pledged to secure certain borrowing granted to the Group amounted to RMB14,952.4 million.

Financial Guarantees and Contingent Liabilities

In line with market practice, the Group has entered into arrangements with various banks for the provision of mortgage financing to its customers. The Group does not conduct independent credit checks on the purchasers, but rely on credit checks conducted by relevant banks. As with other property developers in the PRC, the banks usually require the Group to guarantee its customers' obligation to repay the mortgage loans on the properties. The guarantee period normally lasts until the bank receives the strata-title building ownership certificate (分戶產權證) from the customer as security of the mortgage loan granted. As at June 30, 2014, the Group's outstanding guarantees in respect of the mortgages of its customers amounted to RMB2,039.0 million.

Save as disclosed in this Announcement, the Group had no other material contingent liabilities as at June 30, 2014.

Material Acquisition and Disposals and Significant Investments

For the six months ended June 30, 2014, the Group had completed the material acquisitions for the purpose of reorganization of the Group in preparation for the Listing and in the ordinary business of the Group. Please refer to the Company's prospectus dated June 23, 2014 (the "**Prospectus**") for further details.

On March 5, 2014, Shenzhen Glory Xingye Real Estate Co., Ltd* (深圳國瑞興業房地產有限公司), an indirect subsidiary of the Company, entered into an equity interest transfer agreement to acquire 30% of the equity interest in Shenzhen Dachaoshan Construction Co., Ltd. (深圳市大潮汕建設有限公司) ("**Shenzhen Dachaoshan**") from independent third parties for a total consideration of RMB12.0 million. Shenzhen Dachaoshan intends to undertake a development project in Shenzhen under the "Urban Resettlement" policy with a total site area of 3.8 million sq.m. and entered into a cooperation agreement on March 12, 2014 with a company controlled by the local self-governing organization with respect to the aforementioned project.

* *For identification purpose only*

On April 2, 2014, Hainan Glory Real Estate Development Co., Ltd* (海南國瑞房地產開有限公司) ("**Hainan Glory**"), an indirect subsidiary of the Company, entered into an equity interest transfer and cooperation agreement (the "**Agreement**") with an independent third party to acquire 100% of the equity interest in Hainan Junhe for a total consideration of RMB1,014.0 million in order to acquire the land use rights of certain land parcels in Haikou with a site area of approximately 1.1 million sq.m.

On June 16, 2014, Foshan Glory Southern Real Estate Development Co., Ltd.* (佛山市國瑞南方地產開發有限公司), an indirect subsidiary of the Company won the bid to acquire a land parcel in Foshan with a total planned GFA of 171,313 sq.m. through listing-for-sale for a total consideration of RMB1,483.2 million. The Group received the relevant confirmation letter on bidding for granting land use rights on June 18, 2014 and the Group's PRC legal advisor has advised the Group that there are no legal impediments to entering into the land grant contract if the Group has received the confirmation letter on bidding for granting land use rights.

Save as disclosed in the Prospectus and the abovementioned in this Announcement, the Group did not have any material acquisitions and disposals and significant investments during the six months ended June 30, 2014.

Future Plans for Material Investments or Capital Assets

The Group will continue to invest in its property development projects and acquire suitable land parcels in selected cities, if it thinks fit. It is expected that internal resources and bank borrowings will be sufficient to meet the necessary funding requirements. Save as disclosed in the Prospectus and the abovementioned in this Announcement, the Group did not have any future plans for material investments or capital assets as at the date of this Announcement.

Employees and Remuneration Policies

As at June 30, 2014, the Group had approximately 1,337 employees. For the six months ended June 30, 2014, the Group incurred employee costs of approximately RMB86.4 million. Remuneration for the employees generally includes salary and performance-based quarterly bonuses. As required by applicable PRC laws and regulations, the Group participates in various employee benefit plans of the municipal and provincial governments, including housing provident funds, pension, medical, maternity, occupational injury and unemployment benefit plans.

Interim Dividend

The Board has resolved that no interim dividends be paid to the Shareholders of the Company.

Use of Net Proceeds from Listing

The net proceeds from issue of new shares of the Company in its global offering and the partial exercise of over-allotment option (after deducting underwriting fees and related expenses) amounted to approximately HK$1,561.0 million, which are intended to be applied in the manner consistent with that set out in the Prospectus.

CORPORATE GOVERNANCE PRACTICES AND OTHER INFORMATION

The Company is committed to maintain high standards of corporate governance with a view to assuring the conduct of management of the Company as well as protecting the interests of the Shareholders. The Company has always recognized the importance of the Shareholders' transparency and accountability.

The Company has adopted the Corporate Governance Code (the "**CG Code**") as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") as its own code of corporate governance. Under the current organization structure of the Company, Mr. Zhang Zhangsun ("**Chairman Zhang**") is the chairman of the Board and the president of the Company. The roles of both chairman and president being performed by the same person deviates from the CG Code. Chairman Zhang has been overseeing the Group's strategic planning, development, operation and management since the Group was founded. The Company believes that the vesting of the roles of chairman and president in Chairman Zhang is beneficial to the business operation of the Group and will not have negative influence on the management of the Group. The balance of power and authority is ensured by the operation of the senior management and the Board, which comprise experienced and high caliber individuals. The Board currently comprises four executive Directors and four independent non-executive Directors, and therefore has a fairly strong independence element in its composition. Save as disclosed herein, the Company has complied with the code provisions as set out in the CG Code for the six months ended 30 June 2014. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries with all the Directors, each of the Directors has confirmed that he/she has complied with the Model Code during the six months ended June 30, 2014.

PURCHASE, SALE OR REDEMPTION OF SECURITIES OF THE COMPANY

During the six months ended June 30, 2014, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

SUBSEQUENT EVENTS

On July 7, 2014, the Company's ordinary shares were listed on the Main Board of the Stock Exchange. On such date, the Company issued 661,780,000 shares with par value HK$0.001 each under the global offering at HK$2.38 per share.

On July 22, 2014, the Company issued an additional 19,854,000 shares at the offer price of HK$2.38 each to the public upon the partial exercise of the over-allotment option.

Subsequent to the completion of the over-allotment, the issued and fully paid share capital of the Company has been increased to HK$4,431,634, divided into 4,431,634,000 shares of HK$0.001 each.

AUDIT COMMITTEE

The Company has established an audit committee (the "**Audit Committee**") with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph C.3 of the CG Code. The Audit Committee consists of three independent non-executive Directors including Mr. Luo Zhenbang, Ms. Nie Meisheng and Mr. Lai Siming. The Audit Committee is chaired by Mr. Luo Zhenbang.

The Audit Committee has reviewed with the management and the Group's auditors, DTT, the accounting principles and policies adopted by the Company, as well as laws and regulations, and discussed internal control and financial reporting matters (including the review of the interim results) of the Group. The Audit Committee considered that the interim results are in compliance with the applicable accounting principles and policies, laws and regulations, and the Company has made appropriate disclosures thereof.

PUBLICATION OF THE UNAUDITED CONDENSED CONSOLIDATED INTERIM RESULTS AND INTERIM REPORT FOR THE SIX MONTHS ENDED JUNE 30, 2014 ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This Announcement is published on the website of the Stock Exchange (**www.hkexnews.hk**) and the Company's website (**www.glorypty.com**). In accordance with the requirements under the Listing Rules which are applicable to the Reporting Period, the interim report for the six months ended June 30, 2014 containing all the information about the Company set out in this Announcement of results for the six months ended June 30, 2014 will be despatched to the Shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

By Order of the Board
Guorui Properties Limited
Zhang Zhangsun
Chairman

Hong Kong, Tuesday, August 26, 2014

As at the date of this announcement, the board of directors of the Company comprises Mr. Zhang Zhangsun, Mr. Ge Weiguang, Ms. Ruan Wenjuan and Ms. Zhang Jin, as executive directors and Ms. Nie Meisheng, Mr. Luo Zhenbang, Mr. Lai Siming and Ms. Chen Jingru, as independent non-executive directors.